

Introduced by Senator DeSaulnier

February 18, 2011

An act relating to public health.

LEGISLATIVE COUNSEL'S DIGEST

SB 616, as amended, DeSaulnier. ~~Wellness Program Demonstration Project.~~ *Medi-Cal: grants.*

Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which basic health care services are provided to qualified low-income persons. The Medi-Cal program is, in part, governed and funded by federal Medicaid provisions.

~~Existing law establishes various programs to prevent disease and promote health. Existing~~

Under federal law, the Patient Protection and Affordable Care Act, by July 1, 2014, establishes a 10-state Wellness Program Demonstration Project to promote health and prevent disease the Centers for Medicare and Medicaid Services will award grants pursuant to the Medicaid Incentives for Prevention of Chronic Diseases Program to selected states for a program that provides financial and nonfinancial incentives to Medicaid beneficiaries who participate in prevention programs and demonstrate changes in health risk and outcomes.

This bill would require the department to pursue this grant. This bill would also require, if California is awarded a grant, the department to design, implement, and report on the program, as prescribed.

~~This bill would state the intent of the Legislature to enact legislation to create a wellness program to prevent disease and promote health that~~

~~meets all necessary federal qualifications for California to be a participating pilot state.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The President of the United States signed comprehensive
4 health reform into law on March 23, 2010. The federal Patient
5 Protection and Affordable Care Act (Public Law 111-148) and the
6 federal Health Care and Education Reconciliation Act of 2010
7 (Public Law 111-152) represent a significant reform of the nation's
8 health delivery system, including many provisions designed to
9 promote prevention, wellness, and patient-centered health
10 outcomes.

11 (b) Federal health reform has several provisions that focus on
12 prevention and health promotion, including community-based
13 obesity prevention programs, community transformation grants,
14 nutrition labeling, individualized wellness plan pilots, and
15 workplace wellness programs.

16 (c) *Under the federal Patient Protection and Affordable Care*
17 *Act (Public Law 111-148), states may apply to the federal Centers*
18 *for Medicare and Medicaid Services (CMS) for grants to fund*
19 *programs that demonstrate changes in health risk and outcomes,*
20 *including, but not limited to, the adoption of healthy behaviors.*

21 (d) *CMS has announced an invitation for proposals from states*
22 *to compete for grant awards under the Medicaid Incentives for*
23 *Prevention of Chronic Diseases Program for a program that*
24 *provides financial and nonfinancial incentives to Medicaid*
25 *beneficiaries who participate in prevention programs and*
26 *demonstrate changes in health risk and outcomes. The purpose of*
27 *the Medicaid Incentives for Prevention of Chronic Diseases*
28 *Program is to test and evaluate the effect of state grant awarded*
29 *programs on the use of health care services by Medicaid*
30 *beneficiaries participating in the program, the extent to which*
31 *populations, including, but not limited to, adults with disabilities,*
32 *adults with chronic illnesses, and children with special health care*
33 *needs, are able to participate in the program, the level of*

1 *satisfaction of Medicaid beneficiaries with respect to the*
2 *accessibility and quality of health care services provided through*
3 *the program, and the administrative costs incurred by state*
4 *agencies responsible for the administration of the program.*

5 ~~(e)~~

6 (e) California has a strong history of public health prevention
7 programs, including, but not limited to, one of the nation's leading
8 tobacco control programs. Since 1989, there has been a 35 percent
9 decrease in smoking prevalence, a 61 percent decline in per capita
10 cigarette consumption, and a decrease in lung cancer incidence
11 that is over three times the rate of decline seen in the rest of the
12 nation. Collectively, the program's efforts have saved the state
13 \$86 billion in direct health care costs.

14 ~~(d)~~

15 (f) Unfortunately, California's priority populations remain at
16 greater risk of tobacco use, disease, and death. African American
17 males continue to have the highest smoking prevalence, 21.3
18 percent, compared to their counterparts in all other major race and
19 ethnicity groups who smoke at a range between 14.9 percent and
20 17.2 percent, inclusive. African American and non-Hispanic white
21 females also have significantly higher smoking prevalence rates,
22 of 17.3 percent and 12.5 percent respectively, compared to Hispanic
23 and Asian and Pacific Islander females whose smoking prevalence
24 rates are 7.1 percent and 5.5 percent, respectively. However, the
25 most startling evidence of disparity lies with smoking prevalence
26 among low-income populations.

27 (g) *Rising health care costs are recognized as an unsustainable*
28 *growing component of the state budget. A National Health Policy*
29 *Forum paper reported that, "unless the need for health care is*
30 *reduced by significantly improving the health of the American*
31 *people, it will be difficult if not impossible to bring health care*
32 *costs under control."* Further, it has been noted that offering
33 interventions that address the behavioral or social circumstances
34 that influence participation in preventive health services may
35 contribute to improving health and decreasing growth in health
36 care expenditures.

37 ~~(e)~~

38 (h) California will be a national model for public health
39 interventions and prevention and wellness programs. Communities

1 and individuals must be empowered to make changes that best
2 address their circumstances and resource needs.

3 ~~SEC. 2. It is the intent of the Legislature to enact legislation~~
4 ~~to create a wellness program to prevent disease and promote health.~~
5 ~~This program should meet all necessary federal qualifications for~~
6 ~~California to be a participating pilot state in the Wellness Program~~
7 ~~Demonstration Project that will be established no later than July~~
8 ~~1, 2014, in accordance with Section 1201 of the federal Patient~~
9 ~~Protection and Affordable Care Act (Public Law 111-148).~~

10 *SEC. 2. (a) The State Department of Health Care Services*
11 *shall pursue a Medicaid Incentives for Prevention of Chronic*
12 *Diseases Program grant, as established pursuant to the federal*
13 *Patient Protection and Affordable Care Act (Public Law 111-148),*
14 *to offer incentives to Medi-Cal enrollees who adopt healthy*
15 *behaviors and habits.*

16 *(b) The department shall submit a notice of intent to apply and*
17 *a complete grant application to the federal Centers for Medicare*
18 *and Medicaid Services (CMS). The application shall address at*
19 *least one of the following prevention goals:*

- 20 *(1) Tobacco cessation.*
21 *(2) Controlling or reducing weight.*
22 *(3) Lowering cholesterol.*
23 *(4) Lowering blood pressure.*
24 *(5) Avoiding the onset of diabetes or improving the management*
25 *of the condition.*

26 *(c) If California is awarded a Medicaid Incentives for*
27 *Prevention of Chronic Diseases Program grant, the department*
28 *shall do all of the following:*

- 29 *(1) Apply annually for incremental funding.*
30 *(2) Design and implement a program in accordance with the*
31 *Medicaid Incentives for Prevention of Chronic Diseases Program*
32 *that operates for at least three years to provide financial and*
33 *nonfinancial incentives to Medi-Cal beneficiaries of all ages who*
34 *participate in prevention programs and demonstrate changes in*
35 *health risk and outcomes, including, but not limited to, the adoption*
36 *of healthy behaviors. The program shall be designed and uniquely*
37 *suited to address the needs of Medi-Cal beneficiaries to help*
38 *individuals achieve one or more of the following:*

- 39 *(A) The cessation of the use of tobacco products.*
40 *(B) Control or reduction in weight.*

1 (C) Lower cholesterol.

2 (D) Lower blood pressure.

3 (E) The avoidance of the onset of diabetes, or in the case of a
4 diabetic, an improvement in the management of that condition.

5 (3) Ensure that the program is comprehensive, evidence-based,
6 widely available, and easily accessible. The program shall use
7 relevant evidence-based research and resources, including, but
8 not limited to, the Guide to Community Preventive Services, the
9 Guide to Clinical Preventive Services, and the National Registry
10 of Evidence-Based Programs.

11 (4) Engage in an outreach and education campaign to make
12 Medi-Cal beneficiaries and Medi-Cal participating providers
13 aware of the program.

14 (5) Work collaboratively to develop the program, incorporate
15 stakeholders in the process, conduct a state-level evaluation, and
16 fulfill reporting requirements specified by CMS.

17 (6) Develop and implement a system to do all of the following:

18 (A) Track Medi-Cal beneficiary participation in the program
19 and validate changes in health risk and outcomes with clinical
20 data, including, but not limited to, the adoption and maintenance
21 of health behaviors by participating beneficiaries.

22 (B) To the extent practicable, establish standards and health
23 status targets for Medi-Cal beneficiaries participating in the
24 program and measure the degree to which the standards and
25 targets are met.

26 (C) Evaluate the effectiveness of the program and provide any
27 evaluations to the United States Secretary of Health and Human
28 Services and the relevant fiscal and policy committees of the
29 Legislature.

30 (D) Report to the United States Secretary of Health and Human
31 Services and the relevant fiscal and policy committees of the
32 Legislature on processes that have been developed and lessons
33 learned from the program.

34 (E) Report on preventive services as part of required reporting
35 on quality measures for Medicaid managed care programs.

36 (d) The requirements in subparagraph (C) or (D) of paragraph
37 (6) of subdivision (c) to provide a report to committees of the
38 Legislature shall become inoperative on January 1, 2016.

39 (e) The department may enter into arrangements with providers
40 participating in Medi-Cal, community-based organizations,

1 *faith-based organizations, public-private partnerships, Indian*
2 *tribes, or similar entities or organizations to carry out the program.*
3 *(f) To the extent permitted by federal law, any incentives*
4 *provided to a Medi-Cal beneficiary participating in a program*
5 *described in this section shall not be taken into account for*
6 *purposes of determining the beneficiary's eligibility for, or amount*
7 *of, benefits under the Medicaid program or any program funded*
8 *in whole or in part with federal funds.*

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